



Cedar City

10 North Main Street • Cedar City, UT 84720
435-586-2950 • FAX 435-586-4362
www.cedarcity.org

Mayor

Maile L. Wilson

Council Members

Ronald R. Adams
Paul Cozzens
Terri W. Hartley
Craig E. Isom
Fred C Rowley

City Manager


Rick Holman

REDEVELOPMENT AGENCY MEETING**MAY 6, 2016****Immediately following the City Council Meeting**

The Cedar City Redevelopment will be held in the Council Chambers at the City Office, 10 North Main Street, Cedar City, Utah. The agenda will consist of the following items:

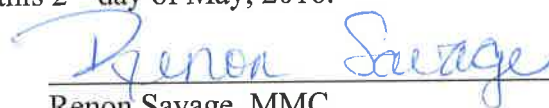
- I. Call to Order
- II. Business Agenda
 1. Consider an amendment to the agreement between the RDA and State Bank of Southern Utah

Dated this 2nd day of May, 2016.


Renon Savage, MMC
City Recorder

CERTIFICATE OF DELIVERY:

The undersigned duly appointed and acting recorder for the municipality of Cedar City, Utah, hereby certifies that a copy of the foregoing Notice of Agenda was delivered to the Daily News, and each member of the governing body this 2nd day of May, 2016.


Renon Savage, MMC
City Recorder

Cedar City Corporation does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

If you are planning to attend this public meeting and, due to a disability, need assistance in accessing, understanding or participating in the meeting, please notify the City not later than the day before the meeting and we will try to provide whatever assistance may be required.

**CEDAR CITY COUNCIL
AGENDA ITEM 1**

INFORMATION SHEET

TO: Redevelopment Agency

FROM: Rick Holman

DATE: May 2, 2016

SUBJECT: RDA agreement

DISCUSSION: When the RDA initiated the agreement with Lin's to build at the current downtown location, State Bank of Southern Utah wanted an ATM machine on the property. At the north end of the Lin's parking lot, a landscape strip was built with an ATM machine at the west end of the strip. A traffic lane was installed to provide for ATM access. A few years after installation, the ATM was abandoned.

In exchange for the ATM accommodation, State Bank donated the Mayor's Square property for the park. The current agreement requires compensation from the RDA to SBSU if the ATM option is abandoned (even though it doesn't exist). Associated Foods would like to have the landscape strip removed in order to provide for more parking.

It is proposed that the agreement be amended to relieve the RDA of any future obligations regarding the ATM location and to retain the Mayor's Park.

State Bank holds their annual Stock Holders meeting at Festival Hall. It is proposed that the RDA pay the annual room rental costs for the Stock Holders meeting for five years. The rental cost is approximately \$500/year. State Bank is agreeable to this arrangement. Staff recommends the RDA approve this agreement.

**FIRST AMENDMENT TO THE OCTOBER 8, 1992 LEASE AGREEMENT BETWEEN THE CEDAR CITY
REDEVELOPMENT AGENCY AND STATE BANK OF SOUTHERN UTAH.**

This lease amendment is entered into on this 21st day of April, 2016, between the Cedar City Redevelopment Agency, hereinafter referred to as Lessor, and State Bank of Southern Utah, hereinafter referred to as Lessee.

WHEREAS, On or about October 8, 1992, Lessor and Lessee entered a lease agreement whereby Lessor leased to Lessee a location for the placement of an automated teller machine and appropriate access easements thereto. As consideration for the lease, and according to the provisions in the lease agreement and special warranty deed, Lessee transferred to Lessor title to approximately 0.11 acres of land located on the southwest corner of Center Street and Main Street in Cedar City, Utah. A copy of the October 8, 1992, lease agreement is attached hereto as exhibit #1, and incorporated herein by this reference; and

WHEREAS, Lessee maintains an interest in the leased property but no longer uses the property for the purpose of locating an automated teller machine. Lessee's interest in the leased property expires in approximately five (5) years; and

WHEREAS, Lessor has entered into a separate agreement with Associated Foods to complete certain improvements to the Associated Food's leasehold property including extending the parking lot to include the property and the access previously used by Lessee to locate its automated teller machine; and

WHEREAS, once a year Lessee holds its stockholders meeting and Lessee has been using the Festival Hall facilities for this meeting; and

WHEREAS, Lessee and Lessor have agreed that Lessee shall abandon any of its rights and interest in the leased property and access thereto, as described in exhibit #1, in order to facilitate Lessor's planned expansion of the parking facilities for Associated Foods; and

WHEREAS, in exchange for Lessee abandoning its rights and interest in the leased property Lessor shall pay to rent space for Lessee's annual stockholder meeting in the Festival Hall Commissioners Room and Room #7 at the published rental rates when the room is rented. This payment by Lessor to Festival Hall shall include all set up charges and fees associated with the annual rental and continue for five (5) consecutive years.

NOW THEREFORE it is hereby agreed between Lessee and Lessor that sufficient consideration exists to support the formation of this first amendment to the October 8, 1992, lease agreement as set forth in exhibit #1. Lessor and Lessee agree as follows:

1. Lessee hereby irrevocably and permanently abandons all rights, title, and interest Lessee has in the automated teller machine and access property located in the Lin's parking lot and more particularly described in the October 8, 1992, Lease, see exhibit #1. This abandonment of rights

shall become effective upon signing this agreement and is contingent upon the RDA's promise to pay five (5) consecutive years of Festival Hall rental to facilitate Lessee's annual stockholder meeting.

2. Lessor agrees to pay the rental and set up charges for Lessee's annual stockholders meetings for the next consecutive five (5) years. The scope of the charges Lessor agrees to pay is the published rates at the time of billing for Festival Hall room #7 and the Commissioners room. This rental payment shall be Lessor's sole obligation under this amendment.

3. Lessee shall be responsible to book the necessary rooms at Festival Hall.


4. Any provision of the October 8, 1992, lease agreement not specifically amended by this amendment shall remain in full force and effect.

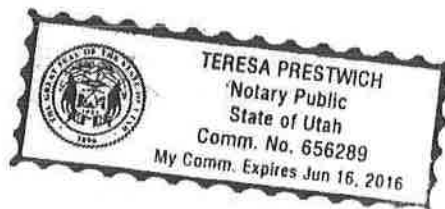
Lessee's signature block.

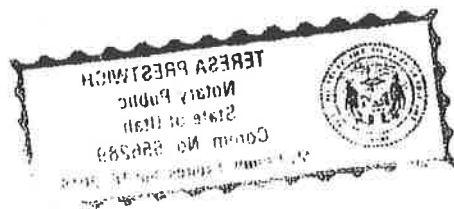

Eric J. Schmutz
SBSU President/CEO

STATE OF UTAH)
 :SS.
COUNTY OF IRON)

On this 21st day of April, 2016, personally appeared before me Eric J. Schmutz who duly acknowledged to me that he signed the above and foregoing document.


NOTARY PUBLIC





Lessor's signature block.

Ron Adams
RDA Chairperson

Attest:

Paul Cozzens
RDA Secretary

STATE OF UTAH)
 :SS.
COUNTY OF IRON)

This is to certify that on the ____ day of _____, 2016, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared Ron Adams, known to me to be the Chairperson of the Cedar City Redevelopment Agency, and Paul Cozzens, known to me to be the Secretary of the Cedar City Redevelopment Agency, and acknowledged to me that he the said Ron Adams and he the said Paul Cozzens executed the foregoing instrument as a free and voluntary act and deed of said corporation, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

NOTARY PUBLIC

Exhibit #1

October 8, 1992 Lease agreement.

LEASE AGREEMENT

THIS LEASE AGREEMENT is entered on this 8 day of October, 1998, by and between the CEDAR CITY REDEVELOPMENT AGENCY (hereinafter "Lessor") and STATE BANK OF SOUTHERN UTAH (hereinafter "Lessee").

W I T N E S S E T H

1. Lessor is the owner of real property located immediately adjacent to the new Lin's Thriftway store on Main Street in Cedar City, Utah, and desires to lease the space, together with an easement for access thereto, to Lessee. The property to be leased, and the easement for access are described on Exhibit A, attached hereto and incorporated herein by this reference (hereafter the "Premises").

2. The premises are previously leased to Associated Food Stores, Inc., which has sub-leased the premises to Lin's A.G. Food Store, Inc. Zion's First National Bank and State Bank of Southern Utah have security interests against the Premises. Associated Foods, Lin's A.G., Zion's Bank, and State Bank, by executing this document, consent to this lease to State Bank.

3. Lessee desires to lease the Premises from Lessor, for the purpose of installing, maintaining and operating an automated teller machine for its customers.

4. In consideration for the leasehold interest herein granted, State Bank shall transfer and convey to Lessor, by special warranty deed, a parcel of property located on the corner of Main and Center Street in Cedar City, subject to the covenants and conditions herein set forth. The property to be transferred is

more particularly described on Exhibit B, attached hereto and incorporated herein by this reference.

5. The parties desire to reduce their agreement to writing and this document is made and entered as a memorialization of the agreement of the parties.

THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. LEASE. Lessor hereby leases to Lessee, and Lessee hereby hires and takes from Lessor, the Premises, as specifically described in Exhibit A, including access for ingress and egress running to and in behalf of the Lessee, its customers, and all persons desiring or having need to use the automated teller machine (hereinafter "ATM").

2. TERM. The term for this lease shall be up to thirty (30) years as herein set forth, at the option of the parties. The initial term for this lease shall be five (5) years from and after the date of execution hereof. In addition, the lease shall be automatically extended for five (5) consecutive additional five-year terms thereafter, unless notice is given by either party prior to the expiration of the preceding term that it does not intend to extend to the next five-year term. If the Lessor does not extend the Lease to the next five year term, it shall pay damages to State Bank as outlined in paragraph 12(B) of this Lease Agreement. As the terms are extended, there shall be no additional consideration paid by Lessee to Lessor.

3. RENT. As rental payment for this leasehold interest, Lessee shall convey and deliver to Lessor, by special warranty

deed, the certain real property located on the corner of Main and Center Streets in Cedar City, Utah, which is more particularly described in Exhibit B attached hereto and incorporated herein by this reference. All costs of the transfer shall be paid by Lessor, and Lessee shall not provide to Lessor a policy of title insurance. Lessor may, of course, obtain its own policy of title insurance at its own cost. Lessor shall pay all property taxes assessed against the property for the year 1992 and shall assume all incidents of ownership upon receipt of the conveyance.

Lessor acknowledges that the property described in this paragraph was previously operated as a gasoline and service station, and that there were underground tanks thereon. Lessor agrees to accept and receive the property as is, without warranty or promise, and agrees to assume and satisfy all obligations created by environmental law or regulation of any kind in relation to the property, and to release, indemnify, defend and hold Lessee harmless therefrom.

4. ACCESS. Lessor agrees to keep and maintain the access to the ATM in good condition and repair, including but not limited to proper installation and repair of the driveways, asphalt, curb, and related improvements, so that Lessee and its customers shall have unrestricted, convenient and well-maintained access thereto. Lessor shall provide snow removal on the access portion of the Premises.

5. UTILITIES. Lessee shall be responsible for the installation, maintenance and charges connected with the power and telephone utilities to the ATM.

6. ATM MAINTENANCE. Lessee shall be solely responsible for the maintenance, repair and upkeep of the ATM unit itself.

7. QUIET ENJOYMENT. Lessor covenants that it is the owner of the Premises in fee simple and has full right to make this lease, and hereby warrants and promises to Lessee that it shall have quiet and peaceable possession and enjoyment of the Premises during the term hereof without interruption or interference from any party.

8. USES. Lessee shall not use, or permit the Premises to be used, for any purpose or purposes other than those herein set forth; and no use shall be made or permitted which does not comply with all existing laws, ordinances and requirements pertaining to the Premises.

9. SUBLETTING. Lessee may sublet its rights hereunder, or may assign its rights under this lease, in whole or in part without Lessor's consent, provided that the assignment shall not expand or significantly alter the use of the Premises in any way.

10. TAXES AND ASSESSMENTS. All taxes and assessments against the property shall be paid and discharged by Lessor. Lessee shall NOT be obligated to pay any share of the maintenance of the supermarket store and property of which these Premises are a part. However, the Lessee shall pay any taxes assessed as a result of improvements to the property made by the Lessee or any Lessee sub-lessee, or assignee.

11. INSURANCE. Lessee shall include the ATM as part of its blanket liability insurance policy.

12. MISCELLANEOUS.

A. In the event of breach or default hereunder, both parties shall have such rights and remedies as are by law provided.

B. In the event State Bank is denied the right to continue to use the ATM on the Premises as agreed hereunder, whether by reason of eminent domain, acts of God, non-extension by Lessor (as described above,) or any other cause except fault of the Lessee or if Lessee's use of the Premises is substantially impaired by the parties to the previous lease and sublease, Lessor agrees to provide Lessee with a similar ATM location at a place mutually agreeable to the parties for a term equal to or in excess of the remainder of the full thirty year term, and to pay all of Lessors expenses of relocation; or if the parties cannot so agree, in good faith, then Lessor shall pay to Lessee the sum and amount of \$5,000 per year for each year from the year the use is discontinued through the duration of the first twenty-five (25) years of the lease term (extensions are included up to twenty-five (25) years).

C. On the termination of this lease, for any cause, Lessee shall be entitled to remove its ATM and any and all other improvements placed upon the premises related to or connected in any way to the ATM. Lessee shall repair any damage caused to the Premises because of the removal.

D. In the event of breach or default hereunder, the prevailing party shall be entitled to recover from the other all costs, attorney's fees, and other expenses incurred in determining, enforcing or protecting its rights hereunder.

E. All notices required or to be sent hereunder shall be sent to the following:

LESSOR: Cedar City Redevelopment Agency
P.O. Box 249
Cedar City, Utah 84721

LESSEE: State Bank of Southern Utah
P.O. Box 340
Cedar City, Utah 84721

F. This Lease Agreement shall not be modified except by written document signed by both parties hereto.

G. This lease, or a memorandum hereof, shall be recorded in the office of the Iron County Recorder.

DATED this 8 day of October, 1992.

LESSOR: CEDAR CITY REDEVELOPMENT AGENCY

By: Harold Grant Shirley
Its: Chairman

LESSEE: STATE BANK OF SOUTHERN UTAH

By: John R. McIntosh
Its: Cashier/Sec.

STATE OF UTAH)
:ss.
COUNTY OF IRON)

On the 7th day of October, 1992, personally appeared before me Harold Grant Shirley, who being by me duly sworn, did say that he is the President of CEDAR CITY REDEVELOPMENT AGENCY, and that said instrument was signed in behalf of said corporation by authority of its Bylaws (or a resolution of

its Board of Directors) and said Harold Grant Shirley
acknowledged to me that said corporation executed the same.

Benon Savage
Notary Public

Residing at Iron County

My Commission Expires: 3/19/93



STATE OF UTAH)
:ss.
COUNTY OF IRON)

On the 8th day of Oct, 1992,
personally appeared before me John L. Westwood, who being by
me duly sworn, did say that he is the President / Sec. of
STATE BANK OF SOUTHERN UTAH, and that said instrument was signed in
behalf of said corporation by authority of its Bylaws (or a
resolution of its Board of Directors) and said John L. Westwood
acknowledged to me that said corporation executed the same.

Carolyn [Signature]
Notary Public

Residing at Careen, UT

My Commission Expires 5-14-95



The undersigned, and each of them, hereby consent to the Lease set forth above, but by signing below do not incur any obligation or liability associated therewith.

ASSOCIATED FOOD STORES, INC.

By: Rene A. Fisher
Its: Executive Vice Pres.

LIN'S A.G. FOOD STORES, INC.

By: Stacy C. Cate
Its: Presd. OF CORP.

ZION'S FIRST NATIONAL BANK

By: Davidson
Its: Vice President

EXHIBIT "A"

TELLER MACHINE PARCEL, (7244 SQ. FT.)

Beginning S 0°00'16" E, 44.09 ft along the block line from the N.W. corner of Block 37, Plat B, Cedar City Survey; thence S 89° 33'41" E, 188.30 ft; thence S 0° 26'19" W, 38.50 ft; thence N 89° 33'41" W, 188.00 ft; thence N 0° 00'16" W, 38.50 ft to the point of beginning.

EXHIBIT "B"

Com NE cor Lot 11, Blk 25, Plat B, Cedar City
Town Sur, S 80 ft, W 58.5 ft, N 14 ft W 7 ft,
N 66 ft, E 65.5 ft.

